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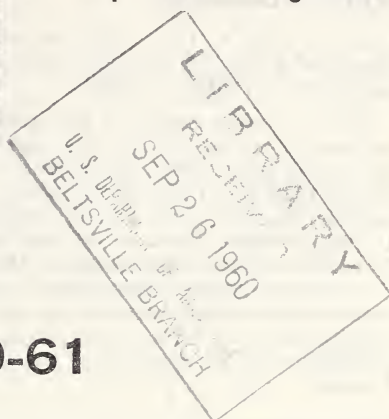
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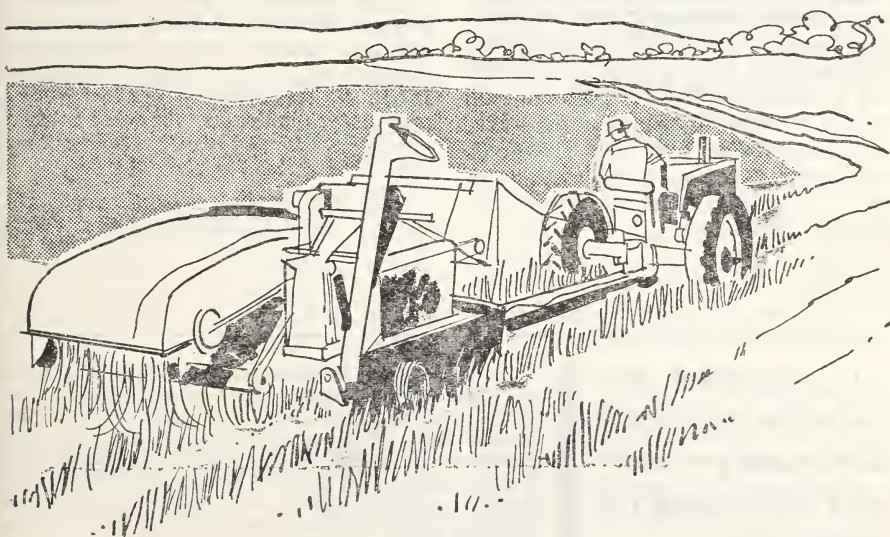


RECORD WHEAT SUPPLY FOR 1960-61

We're moving into the 1960-61 marketing year with a record supply of wheat. During the year, which began July 1, we should have an estimated 2.7 billion bushels of wheat available. This will be 252 million bushels more than we had in 1959-60, and 648 mil-

lion bushels more than the average annual supply from 1954-58.

The 1960 crop, estimated at 1.4 billion bushels on August 1, accounts for most of this increase over last year. The carryover on July 1 was 1.3 billion bushels, only 18 million bushels larger





WHEAT—Continued

than on July 1, 1959. And imports, mostly of wheat for feed and seed, are estimated at 7 million bushels.

We'll probably use about 610 million bushels of wheat during the current marketing year, about the same as we did in 1959-60. Our exports are tentatively placed at 525 million bushels, 17 million more than in 1959-60, but 25 million short of the record of 1956-57. Exports under Government programs will probably account for about two-thirds of the total, about the same proportion as the average of the past 5 years.

1961 Carryover . . .

On the basis of these estimates of domestic use and exports our carryover on July 1, 1961, would be about 1,550 million bushels. This would be about 235 million bushels above our last carryover and an alltime high.

Of the total carryover of 1,313 million bushels of old-crop wheat on July 1 this year, the Commodity Credit Corporation owned 1,196 million bushels, 50 million more than a year earlier and 361 million more than 2 years ago. On July 1, the quantity outstanding under loan and resale from the 1959 crop and under extended resale from crops of the previous 2 years totaled 59 million bushels.

Wheat held by farmers to postpone or avoid payment of penalty for overplanting acreage allotments probably amounted to around 35 million bushels.

This indicates that "free" old-crop wheat supplies on July 1, 1960, amounted to about 23 million bushels, compared with 51 million on July 1 a year earlier.

Hard red winter stocks made up about 75 percent of the carryover last July 1. About 1,001 million bushels were held—60 million more than a year earlier. Stocks of white wheat, at about 63 million bushels, were about the same. Hard red spring stocks at 225 million bushels were down 26 million; soft red winter at 11 million were down 10 million; and durum at 13 million were down 5 million.

A further increase in the carryover of hard red winter wheat of around 250 million bushels is in prospect for July 1, 1961.

Referendum . . .

Final results of the July 21 referendum in the 39-State commercial wheat-producing area indicate that 87.4 percent of the farmers participating in the referendum voted in favor of marketing quotas on 1961 wheat. As a result of this vote, marketing quotas will be in effect for the 1961 crop.

With the minimum allotment in effect for 1961, it is estimated that about

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WHEAT—Continued

53 million acres may be harvested. Should the 1956-60 average yield of 23.3 bushels be obtained, a crop of about 1,235 million bushels would be produced. A crop of this size would be about 9 percent below the crop indicated for this year, but 13 percent above the 1950-59 average.

If domestic disappearance and exports are about the same as was estimated for 1960-61, the carryover on July 1, 1962, would be up over 100 million bushels.

The minimum national average support price of \$1.78 a bushel for the 1961-crop wheat was announced on July 5. This reflected 75 percent of the modernized parity price for wheat as of July 1, 1960. The support for 1961 is the same as the 1960-crop final average support price.

World Prospects . . .

World wheat crop prospects indicated a crop second only to the record production in 1958. Though it is too early for firm estimates in many countries, especially in the Southern Hemisphere, preliminary prospects are for a 5-percent increase above the large 1959 harvest of 8.1 billion bushels. The increases in North America and Asia are partly offset by smaller crops in Europe.

Current prospects for world trade in the marketing year beginning July 1, 1960, are for an increase over the previous year. The primary basis for the expected rise of possibly 30 million bushels to 50 million bushels is the increased import requirements of Europe and Asia. Crop conditions in most of the countries of Europe, especially France, Spain, and Italy, are less favorable than last year. Although larger crops are forecast for Asia, the usual large import requirements exist in India and Pakistan. As a result, a substantial increase in exports from North America may be expected.

Robert Post
Agricultural Economics Division, AMS

GUIDES FOR WINTER POTATOES, VEGETABLES

Growers of winter vegetables and winter potatoes have been offered some advice on their plantings this year, as the time approaches for them to start deciding what they'll do.

That advice comes from the marketing specialists in the Fruit and Vegetable Division of USDA's Agricultural Marketing Service—men who, the year around, closely follow the fortunes of the vegetable markets.

Out of their experience, their constant study of the markets, the experts sum up their recommendations this way:

Growers of winter potatoes would be wise to plan a 5-percent increase in potato acreage over last year's.

But growers of winter vegetables would be better off if they cut acreage for fresh use by 6 percent.

Whether or not you decide to follow these recommendations is, of course, strictly up to you. Compliance with these Acreage Marketing Guides is wholly a voluntary matter.

The fruit and vegetable people offer the recommendations to you simply to help you commercial growers tailor your crops to expected market needs. The acreage recommended should provide us with enough of each crop to take care of consumers' needs—but not so much that prices get depressed and a lot of vegetables go to waste.

Let's take a closer look now at some of the recommendations.

Potatoes . . .

First, for potatoes: Growers cut acreage sharply last year, continuing the downward trend from the 1957 peak. Total production was the lowest in 7 years as freeze in Florida cut yields.

There'll be more competition from storage stocks this year, but there's specific demand for "new" potatoes for table use during winter months, and the "chippers" will want some of the new crop. So the experts recommend that California and Florida

GUIDES—Continued

growers increase acreage a moderate 5 percent over last year.

Next, a closer look at winter vegetables:

Vegetables . . .

Cabbage: Last winter's production was largest in a dozen years. This winter, growers in Arizona, California, Florida, and Texas should plan a substantial, 20-percent cutback in acreage.

Carrots: During most of last winter, supplies were excessive and prices distressingly low. This winter a much smaller supply will be plenty. For Arizona, no change is recommended, but a 15-percent cut is suggested for California and a 20-percent cut for Texas.

Lettuce: Almost every year, growers plant too much lettuce for winter harvest, and there's a persistent surplus problem; 1960 was no exception. This year, an acreage cut of 15 percent is recommended for California, with plantings the same as last year in Florida, Texas, and Arizona.

Beets: Plantings last year were up one-fourth over the previous year. This year, a 10-percent cut is recommended in Texas, the principal winter season production area.

Celery: Experts say a 5-percent cut is advisable in acreage planted this winter in Arizona, California, and Florida.

Escarole: Longtime upward trend in planted acreage was halted in 1960, following the bad 1959 season; produce men say a further 5-percent cut in Florida this year would be a good idea.

Shallots: Limited market outlets have steadily reduced winter season acreage. This winter, growers in Louisiana will get sufficient production off 5 percent less acreage.

No Change . . .

Now, some recommendations for no change:

Snap Beans: 1961 acreage equal to 1960's would give us sufficient supplies of fresh beans.

Broccoli: Acreage has been stable for past 3 years; experts recommend that growers hold the line again in Arizona, South Carolina, and Texas.

The experts say growers of winter vegetables can profitably make some increases, too, in acreage.

Spinach: Planted acreage the same as last winter will be adequate in California and South Carolina. But Texas can afford to plant 5 percent more than last winter.

Green Peppers: Production last winter was small, and this year we can stand 5 percent more.

Cauliflower: Plantings were down last year, and an increase of 10 percent is recommended for 1961 in Florida and Texas.

Cucumbers: A 10-percent increase in plantings would be profitable to growers in Florida, since last year was well below average.

Kale: An increase of 10 percent in kale acreage in Virginia is also appropriate, since production last year was the smallest since 1942.

Sweet Corn: Winter crop producers in Florida should be able to market a fresh supply substantially larger than last year, and USDA recommends a 50-percent boost in plantings.

Tomatoes: Plantings last year, limited sharply by bad weather, were the smallest since early 1940's. This year, the USDA recommendation is that growers in Florida plant 50 percent more tomatoes than they did a year ago.

Publication Available . . .

These, of course, are only the highlights of the USDA recommendations for you winter vegetable and potato growers. As you make your plans, you probably will want further details, to pin the advice right down to *your* farm. To get that information, see your local Extension agent. Or write us for a free copy of the "Acreage Marketing Guides": Agricultural Situation, Agricultural Marketing Service, U.S. Department of Agriculture, Washington 25, D.C.

Don Kuryloski
Fruit and Vegetable Division, AMS



OUTLOOK

Vegetables

Supplies of fresh vegetables excluding melons in late summer may be the same to slightly larger than last summer.

Dairy

Milk production continues a shade above last year with prices to farmers as well as those for manufactured dairy products near 1959 levels. Except for 1941, milk prices are the most favorable on record compared with feed, and have improved relative to prices of beef cattle. The number of milk cows on farms in June edged below a year earlier. This continues the decline that has occurred in all but one year since 1944, but this year's drop was the smallest since 1954.

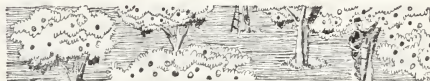


Cattle

Cattle feeders stand a good chance of making more money in the coming season than they did last season. Prices for fed cattle are likely to be fairly stable the rest of this year. Prices of feeders this fall will decline seasonally and be under last fall by a greater margin than fed cattle. Feed prices are running below a year ago and are likely to continue lower. Numbers of cattle are continuing to rise this year, but the gain will be less than last year's 4.9 million head.

Sheep

A further increase in the number of sheep will be seen this year unless a fall slaughter is unexpectedly large. The 1960 lamb crop was up 2 percent—more than enough to offset this year's slight increase in marketing. Seasonal declines are in prospect for lamb prices this fall, but they are not likely to fall below last year's prices.



Fruit

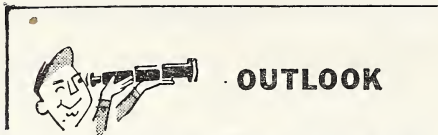
Supplies of fresh fruits for late summer markets are down from last year. Reductions are in the supply of apples, pears, peaches, prunes, and grapes. Although seasonal declines in prices are expected, they are likely to average above last summer.

Eggs

While rates of lay per bird are likely to be up, egg production is likely to be below last year because of fewer chickens raised. Prices to farmers are likely to average higher. (See the story on p. 7.)

Potatoes and Sweetpotatoes

Production of potatoes for late summer harvest is at 31.8 million hundred-weight, 5 percent smaller than in 1959. The decline is in the Western States where output is down 13 percent. Indicated production of sweetpotatoes, at



OUTLOOK

Continued . . .

14.3 million hundredweight is down a fourth from last year. Prices to growers are expected to show some seasonal decline into the fall, but are likely to average materially above the relatively low levels of a year ago.

Wool

Seasonal declines in prices to producers for shorn wool are likely in the next few months with the largest shorn wool production since 1946 in prospect this year. (See the story on p. 12.)

Fats and Oils

First estimate of the 1960 crop placed soybean production at 548 million bushels, 2 percent above 1959. This probably will bring prices that will average about the same as in 1959-60, though some seasonal decline is likely this fall. August estimates indicated 1960 cottonseed production at about the same figure as in 1959.



Corn

Our corn supply for 1960-61 will total about 6 billion bushels, slightly more than in 1959-60. The crop is forecast at 4,112 million bushels, a quarter billion less than last year, but stocks will be up. Corn use has trended up rapidly. This season it is expected to reach 4 billion bushels, a billion more than 5 years ago.

Wheat

The wheat crop, plus a carryover of 1,313 million bushels and the estimated imports, brings the total supply to a

record high of 2,682 million bushels, a tenth above last year. (See the story on p. 1.)

Broilers

Both prices and slaughter in August were well above August 1959 levels. Main factors in the stronger demand were the higher prices and smaller supplies of pork. Marketings in September probably will show a smaller increase over last year as placements for September slaughter showed a gain of 5 percent compared with 10 percent for August.



Cotton

The situation early in the season points to a close balance between production and use of cotton in 1960-61. The first forecast of the season placed the cotton crop at 14.3 million running bales. Disappearance is estimated at about 14.5 million bales. Both production and disappearance are likely to be down from 1959-60. If the crop this year turns out as expected on August 1, it will total about 200,000 bales less than the 1959 crop. Disappearance will be down more sharply—from 16.1 million to about 14½ million. The bulk of the decline in disappearance is expected in exports. Increased production abroad will account for most of the reduction in exports, though record mill consumption and some further rebuilding of stocks should keep the foreign demand strong.



Hogs

Prices to farmers averaged \$2.60 above a year earlier in mid-August. They are likely to maintain a good margin over a year earlier through winter.

SMALLER LAYING FLOCK— RESPONSE TO LOW EGG PRICES

This year, in an era when the accent is on "biggest," and "biggest" gets confused with best, poultrymen are bucking the trend. The number of chickens being raised for laying flock replacement is going to be the smallest since records were begun in 1925. And, in view of disappointing development in the demand for eggs, this has become an urgent necessity.

The national appetite for eggs has been declining. Until there is a noticeable reversal of this trend (which is related to the popularity of lighter breakfasts and strong competition from other breakfast foods), the attainment of reasonable egg prices to producers will depend upon adjusting the egg supply to the current demand. The smaller laying flock in prospect for 1961—following from the cut in the number of replacements now being raised—is a step in this direction.

About 340 million chickens are being raised this year, 15 percent fewer than last year. Farmers probably bought two-thirds of these chickens as sexed pullets—females sorted from cockerels soon after hatching. So the number of pullets won't be fully as low (in the historical record) as the 340 million "chickens raised" figure suggests, because fewer cockerels are among those chickens raised.

Nevertheless, there will be enough eggs in 1961—not only when measured against the 1961 appetite, but also by longtime historical standards.

One of the reasons for expecting a per-person supply as large as the pre-war average (despite the smaller flock) lies in the continuing production increases scored by the average layer. She laid 206 eggs in 1959, which is 3 dozen more than the 1949 average. So far in 1960, the production record per bird is slightly ahead of 1959. In 1961, it is likely to continue its rise.

Low returns to egg producers in 1959 and for much of 1960 to date are responsible for the cuts in chickens raised. The 1959 average egg price

received by farmers was 31 cents, about 18 percent lower than the average of the 5 preceding years. Prices so far in 1960 have averaged about a cent higher than in January–September 1959, and they are likely to continue higher—but not at a level that would justify building up flocks.

Replacement pullets are down in 47 of the 48 States for which estimates are available. Delaware is the only State for which the preliminary number of chickens raised is up from 1959—by 5 percent. In that State, many of the layers are kept for the production of broiler hatching eggs, so the increase may not show up in the production of table eggs.

The decreases from last year's number of chickens raised are fairly uniformly distributed, except in the Western States where the 5-percent decrease is lighter than elsewhere. In the other regions the average decreases are in the narrow range of 15 to 19 percent.

This year's cut shows greater uniformity than was the case last year. Last year's overall cut of 7 percent was the average of a considerable range of changes in the regions. The Western States increased 3 percent and the South Atlantic States increased 2 percent last year. The South Central States declined less than 2 percent, the North Eastern States 10 percent, the West North Central States 12 percent and the East North Central States 17 percent. (If you're not "up" on your regions, check the map on p. 16.)

This all adds up to the likelihood that egg production in 1961 will be smaller than in 1960, and so far 1960 production is smaller (and is likely to remain smaller) than in 1959. These changes are in the right direction but, unless the decline in consumer demand for eggs is reversed, there is no assurance that these adjustments are enough to assure egg producers that they are out of the woods.

Edward Karpoff
Agricultural Economics Division, AMS

FROZEN VEGETABLES ARE GAINING IMPORTANCE

The market for vegetables to be used for freezing has expanded rapidly. The pack of frozen vegetables and potatoes increased from 563 million pounds in 1949 to 1.6 billion pounds in 1959.

Freezing now takes about 8 percent of our vegetable production. Ten years ago it took less than 4 percent.

Frozen vegetables are packed in two types of containers—the retail sizes associated with the household consumer, and the larger institutional sizes, such as those used by restaurants.

Most rapid growth was in the institutional pack which increased from 35 percent of the total frozen pack in 1949 to 45 percent in 1959. The pack in retail-size containers more than doubled—going from 364 million pounds in 1949 to 888 million in 1959. But the pack in institutional containers increased from 200 million pounds to 738 million.

Freezing is now the largest single outlet for lima beans, broccoli, and spinach. More than a tenth of our sweet corn is frozen, a sixth of the snap beans, and about a third of all green peas. Asparagus and a number of other vegetables are also frozen in quantity.

More potatoes are frozen than any other vegetable. The potato pack increased from less than 71 million pounds in 1953 to 371 million in 1959. Increasingly popular frozen french fries made up over 85 percent of the potato pack. The institutional pack made up only 6 percent of the pack in 1953, but by 1959 had increased to a little more than half the total. Over 70 percent of the 1959 volume was packed in the West.

Green peas were second in volume among frozen vegetables. The total pack increased more than $2\frac{1}{2}$ times, from 113 million pounds in 1949 to 305 million in 1959. Most rapid expansion was in the institutional pack, which in 1959 made up a little over half the total. The raw product value of peas for freezing in 1959 amounted to over

\$15 million. Heaviest production for freezing was in the West, principally in Washington and Oregon.

The frozen pack of green and wax beans increased from 59 million to 149 million pounds over the 10-year span. Here again institutional sizes gained in relative importance from 36 to 41 percent of the total. The farm value of the 1959 crop for freezing was almost \$11 million. About three-fifths of the volume was put up in the East and South, and most of the remainder in the West.

Cut sweet corn has ranked high in the growing popularity of frozen vegetables. The total pack increased more than threefold from 37 million pounds in 1949 to 121 million in 1959. Unlike most frozen vegetable items, the retail pack of corn expanded more rapidly than the institutional pack. However, the institutional pack also increased rapidly and consistently took more than half the total volume frozen. The 1959 value to producers of corn for freezing was \$5.5 million. About half the total pack was put up in the West.

Frozen spinach and broccoli also increased sharply over the 10-year period. In 1959, 122 million pounds of spinach and 103 million pounds of broccoli were packed. Freezing of lima beans expanded less rapidly, but in the last 3 seasons ranged from 114 to 131 million pounds compared with 88 million in 1949. The retail pack made up about three-fourths of the total 1959 pack of broccoli, 71 percent of the pack of spinach, and 59 percent of the pack of lima beans.

Will M. Simmons
Agricultural Economics Division, AMS



LIVESTOCK AND THEIR PRODUCTS LEAD THE CASH RECEIPT PARADE

Have you ever wondered where farm products stand when it comes to cash receipts? If you've guessed that livestock and their products take a greater share of total receipts than crops, you've guessed right.

Last year farmers' cash receipts from marketings of farm products and Government payments totaled \$33.8 billion. Livestock and their products accounted for 55.7 percent of this total. Crops accounted for 42.3 percent and Government payments for 2 percent.

Meat animals provided 32.6 percent of the cash receipts. Cattle and calves were the largest single source of receipts (sales of animals from milking herds are credited to cattle and calves).

Hogs ranked fourth in cash receipts, behind dairy products and poultry and eggs.

Cotton led the crops as a source of receipts, followed by feed crops and food grains.

Except for in 1934, farms sales of livestock and their products have made up over half of farm marketings each year since 1926.

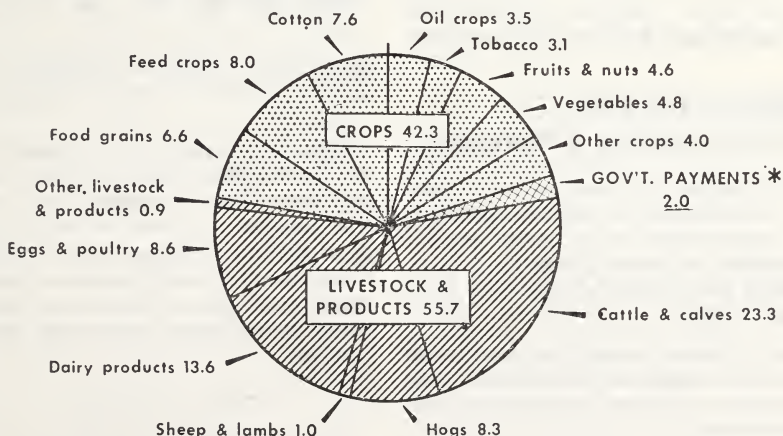
The proportion of all receipts from cattle and calves has increased rather steadily from 11.4 percent in 1920-24 to 13.8 percent in 1935-39 to 23.3 percent in 1959.

Hogs, on the other hand, have dropped from 10.9 percent of the total in 1920-24 to 8.3 percent in 1959.

From 1920-24 to 1959 sheep and lambs dropped from 1.6 to 1 percent of the total, dairy products from 13.7 to 13.6 percent, and poultry and eggs from 9.3 to 8.6 percent.

In the same period, all crops dropped from 51.7 percent of the total to 42.3 percent.

FARM CASH RECEIPTS, 1959 Commodities as a Percentage of Total



PRELIMINARY DATA.
AND GREAT PLAINS CONSERVATION PROGRAMS.

* PAYMENTS UNDER AGRICULTURAL CONSERVATION, SUGAR, WOOL, SOIL BANK,
AND GREAT PLAINS CONSERVATION PROGRAMS.

A Record Cranberry Crop

Our 1960 cranberry crop is forecast at 1.3 million barrels, 4 percent more than last year's record crop and 29 percent above average.

The increase over last year in Massachusetts more than offsets the declines in the other four cranberry States—New Jersey, Wisconsin, Washington, and Oregon. The crop is expected to be above the 1949-58 average in all five States.

The record crop of 700,000 barrels in Massachusetts—the leading State—is expected to be 28 percent larger than in 1959. The season has been exceptionally favorable there. Growers indicated that the bloom and set were the best they have ever had, and berries have sized well.

The New Jersey crop is expected to be down 7 percent from last year, primarily as the result of a smaller acreage for harvest.

Production in Wisconsin is expected to be down 12 percent from last year's record crop, but about the same as in 1958.

Growers in Washington and Oregon report an increase over last year in acreage for harvest, but yields are expected to be down from the record level of 1959.

Earl Park

Agricultural Estimates Division, AMS

Popcorn Acreage For Harvest Up 3 Percent

The Nation's popcorn growers expect to harvest about 150,000 acres this year after losing almost 10,000 acres—due mainly to floods in the Corn Belt. That's 3 percent more than they harvested in 1959.

They planted about 4 percent more acres to popcorn this year than last, but about 12 percent less than the 10-year average.

Indiana leads the States with 29,000 acres for harvest. Illinois is in the second spot with 24,000.



Recent USDA Publications

Equipment and Methods for Measuring Egg Quality. AMS-246. 25 pages.

Know how to measure egg quality? Here's a booklet that gives the story of a method developed for use in a new USDA egg grading program. The objective grading method described is used for eggs that are produced and marketed under controlled conditions. The booklet gives detailed directions for determining quality of the egg white, yolk, and shell. Equipment needed is described and illustrated. Official requirements for the new Federal-State controlled quality egg grading program are included to aid the producer in meeting them.



Egg Prices and the Factors That Influence Them. MB-5. 11 pages.

Producers and others interested in egg prices will appreciate the concise and nontechnical information given in this booklet. It offers an explanation of why prices vary according to supply, consumption, quality, seasons, and regions, and the relationship of each to retail prices and prices the farmer receives.

You may obtain a free copy of these publications by writing to the Marketing Information Division, AMS, USDA, Washington 25, D.C.

EDIBLE TALLOW PRODUCTION UP

When reference is made to tallow, most people think of inedible tallow. Production of this product is over 10 times as much as edible tallow production. But production of edible tallow has grown significantly and the demand for its use in food products has been strong.

Edible tallow is manufactured in federally inspected meatpacking plants from edible beef fats. These fats are generally converted to tallow by the steam rendering method, a process which is more commonly associated with lard production. They are classified as "edible rendered beef fats." Also included in this group are oleo stock, oleo oil, and oleo stearine.

Almost the entire quantity of edible tallow we use is for food. By far the biggest food use of edible tallow is in shortening. Relatively small quantities are used in margarine and other food products. There are basically three kinds of shortening—vegetable oil; animal fat; and blend of vegetable oil and animal fat. Edible tallow is used extensively in both of the latter products.

The production of edible tallow has trended steadily upward. Production reached a record level of 318 million pounds in 1959, an increase of about 235 percent since 1947. Apparently there are three major reasons for the increased production and use of tallow: (1) the greatly expanded production of shortening; which has almost doubled since 1947; (2) a higher percentage of animal fats used in shortening mainly reflecting the growth in meat-fat-type shortenings; and (3) the price advantage of tallow over other edible fats and oils.

Edible tallow competes directly with lard for use in manufactured food products—margarine and shortening. During the late forties and early fifties, edible tallow accounted for only 1 to 2 percent of the total fat ingredients used in shortening. Lard use ranged between 8 and 15 percent.

Since 1951 the use of edible tallow in shortening has increased at a much faster rate than the use of lard. During 1959, 493 million pounds of lard

and 256 million pounds of edible tallow were used in shortening. These two fats accounted for about 33 percent of the fats and oils used in shortening.

The quantity of animal fats used in shortening depends largely on the price of competing vegetable oils, mainly soybean oil. When the price of soybean oil falls below the price of animal fats, shortening manufacturers shift to the lower priced vegetable oil.

During most of the years since 1947 the price of soybean oil has been above the price of animal fats. This has encouraged the substitution of lard and tallow for vegetable oils. The percentage of lard and tallow used in shortening declined during only 4 years since 1947. During these years soybean oil prices were below the prices of animal fats.

The competition between tallow and lard for the shortening market has resulted in a close relationship between their prices. Historically the price of lard has been higher than the price of tallow, with tallow prices following the price pattern established by lard. Between 1947 and 1955 the average price of lard was about 3 cents a pound above tallow on the Chicago market. The range in the price spread was from 2 to 5.1 cents a pound. During 1955 the price spread averaged less than 2 cents a pound for the first time. Lard prices averaged 10.6 cents a pound and tallow prices averaged 9 cents a pound.

The future for edible tallow appears to be promising. Increased production of shortening, reflecting continued population growth, will require larger supplies of edible fats and oils. A good potential exists for increased output of edible tallow. Anticipated increases in the number of cattle slaughtered will result in a gradual expansion of tallow production. With expanding production, edible tallow prices should remain competitive with other edible fats and oils and demand should continue strong for its use in manufactured food products. But any further shift from solid to liquid type shortenings could be a limiting factor.

J. Dale Peier
Agricultural Economics Division, AMS

THE OUTLOOK FOR WOOL

The average price farmers receive for shorn wool can be expected to decline seasonally during the next few months. Prices will probably follow a pattern similar to a year ago, when they were 4 to 6 percent lower in the fall and winter months than they were in early summer. But this seasonal movement could be altered by significant changes in the level of world wool prices.

World Prices . . .

World prices were relatively stable from Easter until late June, when they declined an average of 5 percent.

With the rate of mill activity in the chief manufacturing countries slowing up, demand for wool can be expected to be somewhat less than in the last several months. This will probably cause world wool prices to ease down further in the coming months.

Trading on the Boston market has been inactive during the last several months. This lull has been caused in part by mill vacations and an indicated lack of sufficient new orders for wool products. And also by the cautious attitude of buyers who were waiting for price trends to develop in world markets as 1960-61 clips are sold.

Sales activity on domestic wools has been at the local level where demand has been strongest for the medium wools. This has resulted in narrowing the difference in price between fine and medium wools. In many instances medium wools have sold for more, while fine wools sold for less than they did a year ago.

Growers received an average of 43.3 cents a pound (grease basis) for shorn wool during the 1959-60 marketing year. This was 19 percent more than the year before. On the basis of this price, the incentive payment for the 1959-60 marketing year for shorn wool was 43.2 percent of the dollar returns each producer received from the sale of shorn wool. The payment on sales of unshorn lambs was 75 cents per hundredweight of live animals sold.

Our mill consumption from January through June 1960 totaled 216 million pounds (scoured basis). This was 4 percent less than a year before. Apparel wool consumption amounted to 131.5 million pounds, 5 percent less than a year ago. Carpet wool use totaled 84.5 million pounds, 2 percent less than the first 6 months of 1959.

If apparel and carpet wool mill consumption continue at the seasonally adjusted rates of the first 6 months of 1960, the year's total would be around 415 million pounds, compared with 431 million pounds in 1959.

Our first quarter imports of wool manufactures had a raw wool content of 40.9 million pounds, 46 percent more than during the first quarter of 1959. Imports of woven fabrics, carpets and rugs, knit wearing apparel, yarns, and tops were all larger than a year ago, while imports of noils and wastes were smaller.

During early 1959, large quantities of raw wool were imported at relatively low world prices. This resulted in a buildup of stocks. With less mill consumption indications are that dealer and manufacturer stocks are being used to meet current mill needs.

Reflecting this situation, raw wool imports for mill consumption during the first 6 months of 1960 are 26 percent below a year ago. During this period, dutiable wool imports amounted to 44.4 million pounds, 25 percent less than a year earlier; duty-free imports totaled 83.1 million pounds, 26 percent less.

Production . . .

Our shorn wool production is expected to total 265.3 million pounds (grease basis) this year. This is 3 percent more than in 1959 and the highest since 1946. The number of sheep and lambs shorn in 1960 is estimated at 32.1 million head, 4 percent more than 1959. The average weight per fleece is 8.26 pounds, compared with 8.31 pounds in 1959.

Charles E. Raymond
Agricultural Estimates Division, AMS

THE TOBACCO SEED—A LITTLE GIANT

How would you like to count the seed in an ounce of tobacco seed? This may seem like a small task, but wait before you say yes. This little offspring of Mother Nature is so small that it takes about 350,000 to weigh 1 ounce.

To put it another way, if we piled them 1 inch deep on this page we would have almost 6 million seed, weighing slightly over 1 pound. Assuming each one germinated and was transplanted, this pile of seed would be sufficient to plant about 750 acres of tobacco.

However, to be assured of adequate plants during a relatively short transplanting season, growers sow about 1 ounce of seed in plant beds for each 3 to 6 acres of tobacco to be planted.

Minute as it may be, size is perhaps the only thing small about this little dynamo. Since the time explorers found tobacco cultivated and used by the Indians in the Americas, this herb has been destined to greatness. In 1612, 2 years before his marriage to Pocahontas, John Rolfe began cultivating tobacco at Jamestown, site of the first permanent English settlement in America.

During the next 348 years the story of tobacco has been one filled with adventure. This successful family cousin of the tomato, potato, petunia, and the lowly jimson weed has been a mainstay in American life and agriculture since colonial days and has found its way to the four corners of the earth. Smoked in the pipe, it was a symbol of peace between the Indian and White man. As an export, it brought the early colonist much needed manufactured goods from Europe.

Production . . .

From its meager beginning, let's see what tobacco means to us today. In 1960 production in the United States is forecast at about 1.9 billion pounds, comprised of six major classes—flue-cured, fire-cured, air-cured, cigar filler, cigar binder, and cigar wrapper. Last

year about 1.8 billion pounds were produced from which producers received \$1,057 million in cash receipts.

The 1959 crop was harvested from about 1,150,000 acres. This acreage made up only about 0.4 percent of the acreage of all crops harvested in the United States, yet cash receipts from the crop represented 7.4 percent of the total from crop marketings.

Tobacco ranked fourth among individual crops, falling short of cash receipts from cotton, wheat, and corn. For each acre of tobacco produced and marketed, the grower's capital outlay plus around 300 to 500 man-hours of labor returned him an average of \$919.

Exports . . .

On a declared weight basis, exports of unmanufactured tobacco totaled 466 million pounds in 1959 and were valued at \$346 million. During the 1955-59 period, exports averaged 500 million pounds in weight and \$350 million in value.

Flue-cured made up about four-fifths of the total. But it's not all a one-way trade. We imported 152 million pounds of tobacco last year, the bulk of the total coming from Turkey, Greece, and Cuba. From 1955 through 1959, total imports averaged 129 million pounds.



TOBACCO—Continued

This imported tobacco is primarily used for blending with flue-cured and burley tobaccos in order to improve the taste and aroma of cigarettes, and for use in manufacturing cigars.

During 1959, consumers spent over \$7 billion on tobacco products of which over \$6 billion went for cigarettes alone. The Federal Government and the States took \$2.7 billion of this in taxes. On cigarettes, the Federal tax is 8 cents a pack, while rates in States taxing cigarettes (47 States in 1960) range from 2 to 8 cents a pack. In addition, some local taxes are imposed on cigarettes.

Per Capita Use . . .

On a per capita basis, Americans 15 years old and over puffed away about 186 packs last year. Thus, of the record-high 490 billion cigarettes manufactured in this country last year, Mr. Per Capita smoked a mere 3,720, or about 10 a day.

On an equivalent domestic farm sales weight basis, about 370 cigarettes are currently produced from 1 pound of tobacco. Can you imagine one little tobacco seed representing a potential of about 75 cigarettes? It's true, as it takes the cured leaf from about five plants to weigh a pound.

William C. Hinson, Jr.
Agricultural Estimates Division, AMS

FIRST HALF SLAUGHTER UP

Commercial livestock slaughter during the first 6 months of 1960 was 7 percent above the same period in 1959. A total of 13,462 million pounds were slaughtered commercially (includes federally inspected and other commercial slaughter, but excludes farm slaughter).

From January through June there were 6,982 million pounds of beef, 5,642 million pounds of pork, 469 million pounds of veal, and 369 million pounds of lamb and mutton slaughtered.



LAMB CROP UP 2 PERCENT

Our 1960 lamb crop is estimated at 21.6 million head, 2 percent larger than last year's crop, and 11 percent above the 1949-58 average.

In the 13 Western sheep States (11 Western States, South Dakota, and Texas) 4 percent more lambs were produced. In the Native sheep States (all States except the Western sheep States) there was a 2-percent decrease from last year.

The lamb crop percentage (number of lambs saved per 100 ewes, 1 year of age or older on farms and ranches January 1) was 95 which is 1 point below last year, but 3 points above average.

BEEES, BEEES, BEEES

Bee colonies numbered 5,403,000 in July, about 1 percent below the colonies on hand a year earlier. Colony losses during the past winter and spring were 16 percent of the colonies entering the winter, compared with a 15-percent loss last year.

The July 1 average condition of nectar plants was 79 percent, compared with 77 percent last year. In the important West North Central States, where 26 percent of the U.S. honey crop was produced last year, the condition of nectar plants was reported at 90 percent compared with 76 percent last year. Conditions of nectar plants were the same or above last year's report in all regions except in the North Atlantic and South Central areas.

THE FARMER'S SHARE

The farmer's share of the consumer's food dollar was 38 cents in June, 1 cent less than in May. In June 1959 the farmer's share was also 38 cents.

"Bert" Newell's Letter

For the past week or so I have been doing without one finger. Isn't it funny, I mean funny peculiar—not funny ha! ha!, how it's always the sore finger or the sore toe that gets the bump? It always surprises me, too, how often you need that very finger. Oh, I finally get my collar buttoned and my shoes tied, but it isn't easy.

This just illustrates the truth of some of those old sayings like, "You never miss the water till the well runs dry," and a dozen or so others along the same line. Actually, there are so many things and so many privileges that we enjoy and just take for granted, I wonder sometimes if we are going to have to lose some of them to really appreciate how much we really have.

Just take a thing like—I'll bet you thought I was going to say crop and livestock estimates, but I am not. Oh, I could go on at great length about how important these reports are and how they provide the balance wheel that keeps our American free enterprise system operating and how we would be flopping around like a chicken with its head cut off if we didn't have this information. No foolin', things would be in a mess. What I was really thinking of was our right to go where we want when we want in this great big country of ours. There are a lot of people in this world who don't know that kind of freedom. And then there are a whole lot of people, too, who would find themselves in the hoosegow or worse if they just happened to remark that the local mayor was a "dope."

A foreign student once told me he couldn't understand the way people in this country criticize officials and even the President, and then turn around and get downright belligerent if he made some derogatory remarks. Well, I said this is America, we spank our own kids, but you better not try it. The right to speak our minds is some-

thing we mostly take for granted, just like many other privileges we enjoy.

I think sometimes we abuse these privileges and fail to remember that with each one there is a corresponding responsibility to use it wisely. One justice of the Supreme Court said something to the effect that the right of free speech does not permit one to yell, "Fire," in a crowded theater. What burns me is the way some people use the very freedoms that this country guarantees to try to tear down the things we fought for and most all of us cherish.

But, getting back to that sore finger—I am ashamed to tell you. I was up on the farm and noticed some tall grass around the barn that the mower had missed. So, helpful me, I went in to the barn, found the old scythe, ground it to a good, keen edge, and then looked for a whetstone. You see, I'm like old Jim. I always suspected him of using the stone so often as an excuse to rest rather than any real need to keep his blade sharp. So I had to have a stone, and the only thing I could find was a broken piece about 4 inches long. Everything went fine for the first two or three times I whetted or rested; then I got a little careless and forgetful. Yep, you know what happened. I pretty nearly cut the end off my right index finger. All I've got to say is—never whet a scythe with a short stone.

It's just as dangerous and maybe more so to sharpen up your production and marketing plans with short information. A full length stone of crop reports, market news, outlook and situation reports, and your own good knowledge of your farm is a necessity. You may get by a few times with something less, but sooner or later you may get more than your finger cut.



S. R. Newell
Chairman, Crop Reporting Board, AMS

September 1960

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